

Mr. President, that is what the budget fight is about. That is why it has been so difficult, because our vision for the future of our country may be the same as the President's vision, but our ways of getting there differ greatly.

We believe that the only way we can make our country strong again is to stand firm for a 7-year balanced budget, with help for our families, giving incentives to people to save and invest, and giving people back the money they worked so hard for. Mr. President, we are standing for the hard-working, tax-paying, middle-class people of this country that deserve a break, and we are trying to give it to them. That is what this impasse is all about.

Mr. President, I yield the floor.

Mr. CHAFEE. I ask unanimous consent that I may be permitted to proceed for 10 minutes as in morning business.

The PRESIDING OFFICER (Mr. JEFFORDS). Without objection, it is so ordered.

THE "NORTH CAPE" OILSPILL

Mr. CHAFEE. Mr. President, last Friday, January 19, the barge *North Cape* ran aground on a sandbar off the coast of my home State of Rhode Island. It is estimated that more than 800,000 gallons of No. 2 diesel heating oil aboard the barge spilled into Block Island Sound, making this the worst oilspill in Rhode Island's history.

Alarming, the *North Cape* is grounded 100 yards offshore of the Trustum Pond National Wildlife Refuge, an area set aside as an inviolate sanctuary for migratory birds. So far, oil has penetrated salt ponds in the refuge, and along the southern coast, including Point Judith Pond, an important spawning area for winter flounder. The spill's effect may continue to have adverse impacts on fish and wildlife now that oil has entered the natural food chain in the area.

The cost to my State's environment and economy will be steep. Already, more than 11,000 lobsters have been killed by the spilled oil. Their carcasses, and those of clams, starfish, and other sea creatures, litter southern Rhode Island beaches. The Fish and Wildlife Service has collected over 300 oil-logged birds, of which more than 100 are dead, and 1 dead seal. Sadly, volunteers keep bringing in more casualties.

Because Rhode Island relies heavily on its coastal resources, the financial toll of the spill is heavy. Governor Almond has declared a state of emergency and has requested Federal disaster relief. According to Timothy Keeney, director of the Rhode Island Department of Environmental Management, damage to marine industries ultimately could run into the tens of millions of dollars.

I wish I could say that Rhode Island is a stranger to oilspills. Unfortunately, as recently as 1989, the *World Prodigy* oil tanker ran aground on Brenton Reef and leaked 420,000 gallons

of oil into Narragansett Bay. And there have been a number of other spills over the years.

A constant theme in these crises has been the generosity and sacrifice demonstrated in the response of Rhode Islanders. Their response to the current spill is no exception. Volunteers—as many as 500 a day—have been pitching in energetically: bathing waterfowl, cleaning beaches, donating paper towels. It is inspiring to see individuals band together in an effort to combat a potential environmental disaster.

In addition, local environmental and emergency-preparedness officials have dropped everything. Federal workers are giving their all. My hat is off to these Government workers; people like Joe Dowhan and Paul Casey of the Fish and Wildlife Service, and Charlie Hebert, our Rhode Island Refuge Manager, who spent the first 36 hours of the crisis on his feet. Our State owes a debt of gratitude to all who have rolled up their sleeves.

While the willingness of Rhode Islanders to respond to this spill has been the same as in years past, one thing is different this time around. That is the fact that there is in existence comprehensive Federal oilspill legislation, the Oil Pollution Act, which Congress enacted in 1990. While many questions remain to be answered about why the *North Cape* spill occurred, the provisions of OPA 90 ensured that advance planning had been undertaken to expedite the response to the disaster. The law will also ensure that parties injured by the spill will receive compensation.

OPA 90 established a new national planning and response system to provide for more expeditious and well-organized responses to oilspills wherever and whenever they might occur. The system relies on a host of groups of experts and agency officials at numerous levels, including a National Response Unit, Coast Guard strike teams, 10 Coast Guard district response groups, and area committees. This structure ensures that battle stations are manned with alacrity. The immediate deployment of booms and other barriers along the south county shoreline, to keep the oil from contaminating fragile habitat, speaks to the wisdom of having such a response system in place at all times.

Furthermore, OPA 90 is designed to make sure that the polluter pays. In the case of the *North Cape*, its owner, Eklof Marine, based in Staten Island, has laudably come forward to accept responsibility for this accident. The company has provided ships, manpower, and other resources to assist in the cleanup.

As for the fishermen and others whose livelihood and property have been harmed by the oil, OPA 90 entitles them to compensation for their economic losses. The act mandates that a vessel that discharges oil is liable for the costs of the ensuing cleanup and damages, including those caused by

loss of profits or impairment of earning capacity.

The act also provides that the Government, acting as public trustee for injured natural resources, may seek damages to restore the resources. This means that damages would be available to restore the fish and wildlife in Rhode Island's sensitive coastal areas, including habitat within the national wildlife refuge.

OPA 90 establishes four other categories of damages for which compensation is provided:

First, owners of real or personal property may seek damages for any economic loss arising from destruction of their property.

Second, a person who relies on injured natural resources for subsistence may seek damages for injury to those resources.

Third, the Government may seek damages for loss of tax revenue resulting from the spill.

Fourth, the Government may seek damages for net costs of providing additional public services necessary during or after cleanup of the spill.

Moreover, OPA 90 requires vessel owners to demonstrate evidence of financial responsibility at least up to the amount of a statutory liability cap—in the case of the *North Cape*, \$10 million. Should claims be denied or left unsatisfied by the responsible party, OPA expanded the list of items for which compensation may be sought from the Oil Spill Liability Trust Fund. The fund currently contains more than \$1 billion. In contrast, the former Clean Water Act Fund designated for oilspill cleanup was nearly bankrupt at the time of the *World Prodigy* spill. The current fund thus acts as a real safety net that helps guarantee payment of all damages arising from a spill.

Stepping back for a moment, the oilspill in Rhode Island is a perfect example of the need for strong environmental regulations. Thank goodness for OPA 90. Without it, the State and Federal Government would have been ill-prepared to cope with an oilspill of this magnitude, taking place in such rough weather conditions. Without it, Fish and Wildlife Service officials charged with the care of fragile waterfowl habitat would see many of their hard-won gains eroded, possibly for good. Without it, the lobster fishermen of southern New England would be robbed of their livelihood.

Just this week, the Washington Post reported on the results of a survey just completed by Republican pollster Linda DiVall, which—once again, I should emphasize—found strong, bipartisan backing nationwide for Federal laws that protect the environment. Ms. DiVall concluded that, "Attacking the Environmental Protection Agency is a nonstarter." We should be emphasizing the safeguarding of reasonable and balanced environmental protection done in a more efficient manner.

Just about everyone in Rhode Island—and, indeed, anyone who has

viewed the oily sheen covering Rhode Island waters on the nightly television news—would say that Ms. DiVall has it just right.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CHAFEE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. McCathran, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT OF THE DEPARTMENT OF TRANSPORTATION FOR FISCAL YEAR 1994—MESSAGE FROM THE PRESIDENT—PM 112

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Commerce, Science, and Transportation:

To the Congress of the United States:

In accordance with section 308 of Public Law 97-449 (49 U.S.C. 308(a)), I transmit herewith the Annual Report of the Department of Transportation, which covers fiscal year 1994.

WILLIAM J. CLINTON.

THE WHITE HOUSE, January 25, 1996.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. COHEN:

S. 1525. A bill to amend title 18 of the United States Code to prevent economic espionage and to provide for the protection of United States proprietary economic information in interstate and foreign commerce, and for other purposes; to the Committee on the Judiciary.

By Mr. JOHNSTON:

S. 1526. A bill to provide for retail competition among electric energy suppliers, to provide for recovery of stranded costs attributable to an open access electricity market, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. GREGG.

S. 1527. A bill to amend the Internal Revenue Code of 1986 to treat recycling facilities

as solid waste disposal facilities under the tax-exempt bond rules, and for other purposes; to the Committee on Finance.

By Mr. BRADLEY.

S. 1528. A bill to reform the financing of Senate campaigns, and for other purposes; to the Committee on Rules and Administration.

S.J. Res. 47. A joint resolution proposing an amendment to the Constitution to permit the Congress to limit contributions and expenditures in elections for Federal office; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. COHEN:

S. 1525. A bill to amend title 18 of the United States to prevent economic espionage and to provide for the protection of United States proprietary economic information in interstate and foreign commerce, and for other purposes; to the Committee on the Judiciary.

THE ECONOMIC ESPIONAGE AND PROTECTION OF PROPRIETARY ECONOMIC INFORMATION ACT OF 1995

Mr. COHEN. Mr. President, when France, Germany, Japan, and South Korea are included in a list of nations, we automatically assume that this must be a list of America's allies—our military and political partners since the end of the Second World War. Unfortunately, this is not only a list of America's trustworthy friends, it is also a list of governments that have systematically practiced economic espionage against American companies in the past—and continue to do so to this day.

The term "espionage" evokes images of the cloak-and-dagger side of the United States-Soviet confrontation in the cold war. Since the end of the East-West struggle, however, an equally damaging and pervasive form of spying has received increasing attention—the spying that nations undertake against foreign-owned corporations in order to give their own firms an advantage in the increasingly cut-throat world of international business.

Unlike the politico-military espionage of the cold war, economic espionage pits friendly nations against each other. Instead of military strategy and weapon technologies, the sought-after secrets in economic espionage are marketing strategies and production technologies. While the cost of politico-military espionage was reduced military security, and damage from economic espionage comes in the form of billions of dollars annually in lost international contracts, pirated products and stolen corporate proprietary information. The direct cost of this espionage is borne by America's international corporations. The indirect costs are borne by the American economy as a whole—jobs and profits are lost; the competitive edge is stolen away.

The 103d Congress adopted an amendment I sponsored requiring the President to submit an annual report on foreign industrial espionage targeted against U.S. industry.

The unclassified version of the President's first annual report, which is very understated compared to the classified version, acknowledged "the post-cold-war reality that economic and technological information are as much a target of foreign intelligence collection as military and political information." The report goes on to state:

In today's world in which a country's power and stature are often measured by its economic/industrial capability, foreign government ministries—such as those dealing with finance and trade—and major industrial sectors are increasingly look upon to play a more prominent role in their respective country's (economic) collection efforts. While a military rival steals documents for a state-of-the-art weapon or defense system, an economic competitor steals a U.S. company's proprietary business information or government trade strategies. Just as a foreign country's defense establishment is the main recipient of US defense-related information, foreign companies and commercially oriented government ministries are the main beneficiaries of US economic information. That aggregate losses that can mount as a result of such efforts can reach billions of dollars per year, constituting a serious national security concern.

According to Joseph Recci of the American Society for Industrial Security, "American corporations are losing billions of dollars each year in valuable technology and proprietary information to foreign espionage." In a recent survey of Fortune 500 companies, the society notes that the number of corporations reporting that they have been victims of economic espionage has grown by 260 percent since 1985. Peter Schweizer, in his 1994 study of state-sponsored economic espionage, "Friendly Spies," estimated that such espionage costs American business upwards of \$100 billion annually.

This alarming trend in foreign corporate and state-sponsored economic espionage will continue in coming years. Intelligence agencies in industrialized nations have found themselves with a lot of time on their hands since the end of the cold war, and the governments of these nations have come to see economic competition as the new central threat to their national security. In testimony before the Senate Select Intelligence Committee earlier this year, then acting Director of Central Intelligence Adm. William Studeman predicted, "the threat to U.S. economic interests will absolutely increase as foreign governments attempt to ensure the success of their companies."

A few examples of actual cases should illustrate how pervasive the problem has become:

Pierre Marion, the former head of the French intelligence agency, the DGSE, has admitted that up to 15 hotel rooms of foreign business executives are broken into in Paris every day by DGSE agents. Proprietary papers are copied, and this information is then passed on to French companies to give them an edge in competition and negotiation.

Japanese, Korean, and German intelligence agents and corporations have